



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

December 20, 2006

CERTIFIED RETURN RECEIPT
7004 2510 0004 1824 4332

Lance Heaton, Manager
Cable Mountain LLC
2071 East 10225 South
Sandy, Utah 84092

Subject: Notice of Cancellation/Termination of Reclamation Surety Letter of Credit
Number: _____, Cable Mountain LLC, Rockwell Mine (M/049/011),
Utah County, Utah

Dear Mr. Heaton:

Please review the enclosed Zions Bank Notice of Cancellation and/or Termination notification indicating the Letter of Credit (LOC) in the amount of \$91,000.00 is being cancelled and/or terminated in accordance to the provisions of the LOC. According to the terms of the LOC, the bank may elect not to renew as long as a ninety (90) day notice is given to the Division. These terms have been met, therefore, effective April 15, 2007, the LOC will be terminated. Paragraph 2 of the Reclamation Contract, states the Operator shall provide a replacement surety within sixty (60) days following the Division's receipt of the cancellation/termination notice.

You are hereby advised that the Division must receive a replacement form of surety within 60 days or prior to February 13, 2007 or the Division will be forced to do any/some of the following:

- **Submit the LOC sight drafts for payment prior to termination date;**
- **Submit a request to the Board of Oil, Gas and Mining to withdraw the permit;**
- **Order the cessation of mining operations;**
- **Order immediate reclamation of all lands affected**

The Division is aware of a pending transfer, however, it has not received Division approval. Therefore, Cable Mountain LLC continues to be liable for this operation until transfer approval occurs. Liability and responsibility regarding the reclamation obligation requires the surety be replaced by the above-mentioned date. Another option, is to ensure the transfer receives Division approval on or before February 13, 2007. The transferee must have replacement reclamation surety in the required amount, a completed reclamation contract, and a map identifying the disturbance. Further detail can be provided regarding these requirements. Please contact any of the persons listed in this letter for information.

Please direct questions to: Surety Coordinator, Beth Ericksen (801) 538-5318 or Mr. Lynn Kunzler, (801) 538-5310. Thank you in advance for your prompt attention to this important permitting requirement.

Sincerely,



Susan M. White
Mine Program Coordinator
Minerals Regulatory Program

SMW:BE:be

Enc: Zions Bank Notice of Cancellation and/or Termination dated December 12, 2006
cc: Beth Ericksen, DOGM
Lynn Kunzler, DOGM
Steve M. Heaton, registered agent, 493 North 500 West, St. George, Utah 84770 (w/enc)
Ms. Peggy Kelsey, Utah County Planning, 100 East Center, Ste. 3800, Provo, Utah 84601 (w/enc)
Mr. Tony Christofferson, Geneva Rock Products, Inc., PO Box 538, Orem, UT 84059
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